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February 24, 2017

Accepted / Filed

Marlene H. Dortch

Secretary

Federal Communications Commission
445 12th Street S.W.
Washington, DC 20554

FEB 24 2017

Federal Communications Commission
Office of the Secretary

Rodger Woock
Suzanne Yelen
Industry Analysis and Technology Division
Federal Communications Commission
445 12th Street S.W.
Washington, DC 20554

DOCKET FILE COPY ORIGINAL

Re: Connect America Fund, WC Docket No. 10-90, *et. al.*
Supplemental Data Filing

Dear Ms. Dortch, Mr. Woock and Ms. Yelen:

Enclosed please find an update to the response¹ of the National Exchange Carrier Association, Inc. (NECA) to the Federal Communications Commission's (Commission) directive to file the detailed revenue requirement data received from member companies.² As requested by the Commission, this

¹ See Letter from Regina McNeil, NECA to Marlene H. Dortch, Secretary - FCC, CC Docket No. 01-92, GN Docket No. 09-51, WC Docket Nos. 05-337, 07-135, 10-90 (filed Dec. 16, 2011; filed under Protective Order, 25 FCC Rcd. 13160 (2010)).

² *Connect America Fund; A National Broadband Plan for Our Future; Establishing Just and Reasonable Rates for Local Exchange Carriers; High Cost Universal Service Support; Developing an Unified Intercarrier Compensation Regime, Federal-State Joint Board on Universal Service, Lifeline and Link-Up, Universal Service Reform-Mobility Fund*, CC Docket Nos. 01-92, 96-45, WC Docket Nos.: 10-90, 07-135, 05-337, 03-109, GN Docket No. 09-51, WT Docket No. 10-208, Report and Order and Further Notice of Proposed Rulemaking, 26 FCC Rcd. 17663 (2011) ¶ 225

update provides similar data for calendar year 2015. This information is being filed pursuant to the *Third Protective Order* issued in this proceeding.³

The information supplied by NECA is contained on a CD-ROM accompanying this letter and was compiled from data received in the normal course of business. The data items reported are at the level of detail approximate to the items reported in the Tariff Review Plan (TRP) that accompanies NECA's annual tariff filing. A template for the data contained on the CD-ROM is included in Attachment 1.

NECA seeks confidential treatment of the information provided on the CD-ROM under the *Third Protective Order*. Notwithstanding the *Third Protective Order*, the information provided on the CD-ROM is entitled to confidential, non-public treatment under the Freedom of Information Act (FOIA) and related provisions of the Commission's rules.⁴ The information satisfies the requirement of FOIA Exemption 4 (trade secrets or commercial/financial information).

NECA submits the following information pursuant to section 0.459 in support of its request for confidential treatment of the data on the CD-ROM.

- Identification of the specific information for which confidential treatment is sought:

NECA seeks confidential treatment for the study area specific information on the CD-ROM, which contains confidential and proprietary information related to common line revenue and total company and common line expenses and investment of NECA pool members.

- Identification of the Commission proceeding in which the information was submitted or a description of the circumstances giving rise to the submission:

Information for calendar year 2010 was submitted in response to the Commission's *USF/ICC Reform Order* in CC Docket Nos. 01-92, 96-45, WC Docket Nos. 10-90, 07-135, 05-337, 03-109, GN Docket No. 09-51, WT Docket No. 10-208. Specifically, the order directed NECA to "file the "detailed revenue requirement data it receives from carriers, no later than thirty days after release of this order."⁵ The Commission has now requested that NECA provide similar data for calendar year 2015.

³ *Connect America Fund*, WC Docket No. 10-90, *et. al.*, Third Protective Order, 27 FCC Rcd. 10276 (2012) (*Third Protective Order*).

⁴ 47 C.F.R. §§ 0.457 and 0.459; 5 U.S.C. § 552, *et. seq.* Section 0.457(d)(iii) specifically identifies information submitted in connection with audits, investigations, and examination of records pursuant to 47 U.S.C. 220 as material that has been accepted by the Commission on a confidential basis pursuant to 5 U.S.C. 552(b)(4).

⁵ *Supra*, notes 1-2

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- Explanation of the degree to which the information is commercial or financial, or contains a trade secret or is privileged:

The information on the CD-ROM contains sensitive study area specific information provided by pool members to NECA in its capacity as interstate access tariff and pool administrator. At the study area level, the information is granular and highly confidential to the reporting pool members.

The interstate access and supplemental data is treated as a confidential trade secret by pool members. NECA would not agree to submit the data in response to the Commission staff's request without assurances that the information will be kept confidential. It would be highly inappropriate for the data to be disclosed to the public or third parties.

- Explanation of the degree to which the information concerns a service that is subject to competition:

Rural telephone service has historically lent itself to "cherry picking" by competitors that choose to serve only the low cost areas within a study area. Detailed information about revenues and expenses may help prospective competitors to gain insight to incumbent LEC (ILEC) market strategies and gain competitive advantage.

- Identification of any measures taken by the submitting party to prevent unauthorized disclosure:

The information provided in the attached CD-ROM is made available only to NECA representatives on a need to know basis. Any public information is only made available on an aggregate basis.

- Identification of whether the information is available to the public and the extent of any previous disclosure of the information to third parties:

The information in the Excel spreadsheet on the CD-ROM is not publicly available.

- Justification of the period during which the submitting party asserts that material should not be available for public disclosure:

NECA requests that all of the data provided on the CD-ROM be treated as confidential indefinitely. Because of the sensitive nature of the data, it would not be appropriate for public disclosure at any time in the foreseeable future.

- Any other information that the party seeking confidential treatment believes may be useful in assessing whether its request for confidentiality should be granted:

By addressing the data request to NECA, the Commission avoided the burden of seeking out the data for 700+ cost company study areas. However, the Commission should take care to not

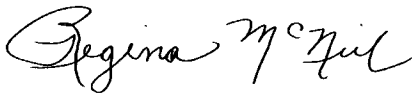
REDACTED – FOR PUBLIC INSPECTION

deprive those ILECs of the opportunity to speak for themselves in the event of a FOIA request for access to data. NECA requests that the Commission notify carriers of any FOIA request and allow them to be given a reasonable opportunity to file detailed information supporting continued confidential treatment of their respective data.

Accordingly, NECA requests confidential treatment of the data provided on the attached CD Rom pursuant to section 0.457 and 0.459 of the Commission's rules and paragraph 4 of the Protective Order. Pursuant to the Protective Order, NECA has marked the Excel spreadsheet on the CD-ROM and each page of the non-redacted version of this filing as follows:

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NECA has also complied with the requirement of the *Third Protective Order* for delivery of both the confidential and redacted copies of the filing.

A handwritten signature in cursive script, appearing to read "Regina McNeil".

Enclosures

NECA 2015 COST COMPANY DATA - TOTAL COMPANY

Attachment 1 .

Study
Area
Code Study Area Name

Uncollectibles	AFUDC	Adjustment for Line Port/TIC	Plant Specific	Network Support Expense	General Support Expense
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2/24/2017

NECA 2015 COST COMPANY DATA - TOTAL COMPANY

Attachment 1

Study
Area
Code Study Area Name

COE - Switching Expense	COE - Operator Expense	COE - Transmission Expense	IOT Expense	Cable and Wire Facilities Expense	Plant Non Specific (excl Depr & Amort)
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REDACTED - FOR PUBLIC INSPECTION

2/24/2017

NECA 2015 COST COMPANY DATA - TOTAL COMPANY

Attachment 1.

Study
Area
Code Study Area Name

Cust. Oper. Marketing	Cust. Oper. Services	Cust. Oper. Local Business Office	Cust. Oper. Revenue Accounting	Cust. Oper. Other Billing and Collection	Corp. Operations Unlimited
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2/24/2017

NECA 2015 COST COMPANY DATA - TOTAL COMPANY

Attachment 1.

Study Area Code	Study Area Name	Corp. Operations - Limited	Access	USF Contributions	Depreciation & Amort.	Other Expenses and Adjustments	Total Expenses and Other Taxes

NECA 2015 COST COMPANY DATA - TOTAL COMPANY

Attachment 1.

Study
Area
Code Study Area Name

Taxes Other Expenses and Adjustments
than FIT Other Taxes for FIT Amortized ITC General Support Central Office
Equipment -
Switch

NECA 2015 COST COMPANY DATA - TOTAL COMPANY

Attachment 1.

Study
Area
Code Study Area Name

COE - Operator Systems	COE - Tandem Switching	COE - Local Switching	COE - Equal Access	Central Office Equipment - Transmission	COE Transmission - Interexchange Circuit
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REDACTED - FOR PUBLIC INSPECTION

2/24/2017

NECA 2015 COST COMPANY DATA - TOTAL COMPANY

Attachment 1.

Study Area Code	Study Area Name	COE		Transmission -		Cable &Wire -		
		Transmission -		Exchange		Subscriber		
		Host Remote	Exchange	Circuit	Subscriber		Cable and	Cable & Wire -
					Line	Wire Facilities		

NECA 2015 COST COMPANY DATA - TOTAL COMPANY

Attachment 1

Study Area Code	Study Area Name	Cable & Wire -			IOT Equipment	Amortizable Assets	Total Plant	Depreciation/ Amortization Reserve
		Interexchange Circuit	Cable & Wire - Host Remote					

NECA 2015 COST COMPANY DATA - TOTAL COMPANY

Attachment 1.

Study Area Code	Study Area Name	Accum.		Other Rate		Average Net Investment	Net Return	Federal Income Tax	Revenue Requirement
		Deferred Income Tax	Base Adjustments						

NECA 2015 COST COMPANY DATA - CAF BLS SUPPORT

Attachment 1

Study Area Code	Study Area Name	2015 Common Line Revenue Requirement without Corporate Operation Expense Limitation (incl. Contributions, excl. Admin. Exp.)	Impact of Corporate Operations Expense Limitation	2015 Common Line Revenue Requirement with Corporate Operations Expense Limitation (incl. Contributions, excl. Admin. Exp.)	2015 Universal Service Contributions	2015 NECA Administrative Expense	2015 Common Line Revenue Requirement	2015 SLC Revenues
							Subtotal	

Study Area Code	Study Area Name	2015 Special		Estimated		ICLS Indicator
		2015 End User ISDN Port Revenue	Access SurchARGE Revenue	2015 CAF BLS Voice Support**		

DOCKET NO.

10-90

Attachment A

DOCUMENT OFF-LINE

This page has been substituted for one of the following:

- o This filing contains confidential information (Not For Public Inspection)
- o An oversize page or document (such as a map) which was too large to be scanned into the ECFS system.
- o Microfilm, microform, certain photographs or videotape.
- o Other materials which, for one reason or another, could not be scanned into the ECFS system.

The actual document, page(s) or materials may be reviewed by contacting an Information Technician at the FCC Reference Information Center, at 445 12th Street, SW, Washington, DC, Room CY-A257. Please note the applicable docket or rulemaking number, document type and any other relevant information about the document in order to ensure speedy retrieval by the Information Technician.

1 CD-ROM